

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

490C0116

HOUSE HEALTH AND HUMAN SERVICES COMMITTEE ENGROSSED NO. **HB1009** - 2/3/99

Introduced by: Representatives Hunt, Cerny, Fiegen, Hagen, and Peterson and Senators
Lawler, Brosz, and Kloucek at the request of the Interim Health and Human
Services Committee

1 FOR AN ACT ENTITLED, An Act to require a managed care plan to have a medical director
2 or director.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. Terms used in this Act mean:

- 5 (1) "Managed care contractor," a person who establishes, operates, or maintains a
6 network of participating providers; or contracts with an insurance company, a hospital
7 or medical service plan, an employer, an employee organization, or any other entity
8 providing coverage for health care services to operate a managed care plan;
- 9 (2) "Managed care entity," a licensed insurance company, hospital or medical service
10 plan, health maintenance organization, an employer or employee organization, or a
11 managed care contractor that operates a managed care plan;
- 12 (3) "Managed care plan," a plan operated by a managed care entity that provides for the
13 financing or delivery of health care services, or both, to persons enrolled in the plan
14 through any of the following:

- 1 (a) Arrangements with selected providers to furnish health care services;
- 2 (b) Explicit standards for the selection of participating providers; or
- 3 (c) Financial incentives for persons enrolled in the plan to use the participating
- 4 providers and procedures provided for by the plan.

5 Section 2. A managed care plan shall appoint a medical director who has an unrestricted
6 license to practice medicine. However, a managed care plan that specializes in a specific healing
7 art shall appoint a director, who has an unrestricted license to practice in that healing art. The
8 director is responsible for oversight of treatment policies, protocols, quality assurance activities,
9 and utilization management decisions of the managed care plan.

10 Section 3. Nothing in this Act applies to dental only, vision only, accident only, school
11 accident, travel, or specified disease plans or plans that primarily provide a fixed daily, fixed
12 occurrence, or fixed per procedure benefit without regard to expenses incurred.

1 **BILL HISTORY**

2 1/12/99 First read in House and referred to Health and Human Services. H.J. 33

3 1/27/99 Scheduled for Committee hearing on this date.

4 1/27/99 Scheduled for Committee hearing on this date.

5 1/29/99 Scheduled for Committee hearing on this date.

6 1/29/99 Health and Human Services Do Pass Amended, Passed, AYES 12, NAYS 0. H.J. 306